

A meeting of the State Lands Commission was held in the office of the Department of Finance, State Building, Los Angeles, at 10 o'clock A.M., August 16, 1940.

Present were:

Harry B. Riley, Member  
Ellis J. Patterson, Member

Absent was:

John R. Richards, Chairman

The Executive Officer requested action by the Commission upon minutes of meetings held June 3 and July 16, 1940.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, the minutes of the meetings of the Commission held in Sacramento on June 3 and July 16, 1940, were approved and confirmed as submitted.

The application of The Petrol Corporation for reinstatement of Agreement for Easement No. 323, Huntington Beach, (Ames #3 well) was continued upon representation by the Executive Officer that The Petrol Corporation is not now interested in going forward with the application because the operations of Bolsa Chica Oil Corporation to redrill a well would conflict with plans of The Petrol Corporation.

Bids accepted by the Commission under invitation authorized at meeting of the Commission February 9, 1940, resulted in the award for the drilling of three wells to the Termo Company, a corporation, and for the drilling of three wells to Surf Associates Inc. Prior to the commencement of drilling operations, and after the delivery of the easements, a later survey was found for one well already in place which necessitated a change in location of the first well drilled by Surf Associates. A similar situation not based, however, upon the same fact, resulted in connection with the drilling of the first well by the Termo Company, a corporation. It now appears that it would be advisable to amend the agreements for easements heretofore issued to these corporations to correctly state the locations of wells already drilled and wells to be drilled without in any manner modifying or amending the remaining provisions of said agreements.

Upon motion of Mr. Riley, seconded by Mr. Patterson, a resolution was adopted authorizing and directing the Executive Officer to execute modifications to Agreements for Easements Nos. 406, 407 and 408 to Surf Associates Inc. and 409, 410 and 411 to Termo Company, where necessary to correctly state descriptions of locations of wells already drilled or which may hereafter be drilled.

C. M. Rood and H. H. McVicar of the M. M. McCallen Corporation appeared before the Commission to urge modification of course of well heretofore proposed by Bolsa Chica Oil Corporation under which, if approved, a well would be drilled according to such modified course by the M. M. McCallen Corporation.

It appeared to the Commission that the proposal would result in deviation from a rule heretofore adopted requiring redrilling to be conducted within an imaginary cylinder 200 feet in diameter with the existing well as the axis, and, for that reason, the Commission declined to take action upon the proposal of Messrs. McVicar and Rood.

The Commission at a prior meeting directed the assignment of Dr. E. K. Soper, Consultant, to a study of Elwood and Goleta Fields to determine whether trespassing has taken place, whether proper offset wells have been drilled and are in operation, and whether drainage has resulted or is now occurring. Dr. Soper reported to the Commission as follows:

"MEMORANDUM REPORT ON PROPOSED INVESTIGATION  
OF POSSIBLE DRAINAGE OF STATE TIDELANDS AT GOLETA  
AND POSSIBLE DRAINAGE AND TRESPASS AT ELWOOD

(Oral report to State Lands Commission, August 16 meeting, Los Angeles, California.)

"1. Location of Elwood and Goleta.

"2. Investigation includes four separate problems:

- (a) Probable drainage of large quantities of wet gas from State submerged land leases at Elwood by wells on adjacent uplands because of (1) failure to drill necessary offset wells on State leases and (2) failure to produce gas (and oil) from State offset wells already drilled.
- (b) Possible drainage of oil from State submerged-land leases at Elwood by wells on adjacent uplands because of failure to produce State wells from same zones or sands as those producing in upland wells.
- (c) Possibility of trespass of certain so-called upland wells at Elwood beneath the tide and submerged lands due to crooked holes, either intentional or unintentional.
- (d) Probability of drainage of large amounts of dry gas from State overflow and swamp lands and also from submerged lands at Goleta due to failure of State to cause necessary protective offset wells to be drilled into its lands.

"3. At first glance it would appear that the Goleta and Elwood problems are entirely unrelated and therefore the subject of separate investigations. However, from the preliminary study I have given the

matter, it has become evident that because of interlocking company relationships and contractual agreements among certain operators at Elwood and Goleta, it will be advantageous to the State to proceed simultaneously with its investigations of probable drainage at both Elwood and Goleta. The matter of investigation of possible trespass of certain wells at Elwood, which will be difficult to establish because of our inability to obtain access to such well surveys as may have been made, may be postponed until the drainage aspects of the investigation have been determined.

"4. Elwood:

The situation at Elwood is briefly as follows: There are in that field eight existing State leases, on one of which (No. 94-Barnsdall) the only well has been abandoned, and the lease is therefore subject to cancellation. Of the remaining seven State leases, two are operated by Signal Oil and Gas Company; two by Pacific Western Oil Company (now controlled by Tidewater Associated Oil Company); one by Barnsdall Oil Company; one by Honolulu Oil Corporation, Limited; and one by Bankline Oil Company.

All of the wells on the uplands are operated by Barnsdall Oil Company. The majority of the Barnsdall Oil Company's upland wells are on their large Luton-Bell lease, which is offset by four State leases: Barnsdall Oil Company, No. 88; Bankline Oil Company, No. 89; Honolulu Oil Corporation, No. 90; and Seaward Oil Company, No. 91 (operated by Signal Oil Company).

There are three natural gasoline extraction plants in the field operated by Barnsdall Oil Company, Signal Oil and Gas Company and Pacific Western Oil Company. The latter two treat only the wet gas from their own wells, but the Barnsdall Oil Company, in addition to gas from its own wells, purchases wet gas from all State lessees except Signal and Pacific Western which operate their own plants. Barnsdall, through its contract with Southern Counties Gas Company (a subsidiary of Industrial Fuel Supply) has the only outlet in the field for the dry gas from the gasoline extraction plants. Thus, all operators in the field, even including Signal and Pacific Western which operate their own gasoline extraction plants, must look to Barnsdall as the only possible purchaser of their dry gas. This fact should be clearly kept in mind since it is the controlling factor in the drainage situation which has arisen.

On 12/2/35 Honolulu 90-9 State well blew out at 5065 feet. Estimated gas 80 million cu. ft. per day proving the existence of a new deep prolific high-pressure gas zone. About 1936 Barnsdall completed No. 12 and No. 19 wells on its Luton-Bell upland lease to this new deep zone. In 1938 Honolulu Consolidated Oil Corporation re-completed its No. 9 State well in the same zone, as an offset; and at about the same time Bankline Oil Company completed its No. 10 well on its State lease to the same zone. Both the Honolulu and Bankline wells demonstrated that they were capable of large production of high pressure wet gas.

Seven days after completion of the Honolulu high-pressure gas well, the Company was notified by Barnsdall that Barnsdall could not

take the gas from the well since under its contract with Southern Counties Gas Company the latter was already taking its maximum quantity of gas from the field. Since Barnsdall is the sole purchaser of gas in the field, Honolulu was forced to shut in its big gas well and this well has been shut in ever since. Some time later a similar notification was given by Barnsdall to Bankline with respect to Bankline's No. 10 State well, which the Company was thus forced to shut in, and which has been shut in ever since. In the meantime, Barnsdall has continuously operated its two upland wells in the high pressure gas zone, both of which are located near the shore, and which have been and are now draining large quantities of gas from beneath the State leases. These high pressure gas wells also produce considerable quantities of high gravity oil so that there is also a question of oil drainage from the State lands.

"Not only has Barnsdall refused to buy any gas from any of the deep zone gas wells on State leases, but it has refused to purchase (on the plea of lack of market) much of the gas produced with the oil from the oil wells on the State leases, thus forcing the State's lessees to blow to the air much wet gas produced from State Lands. At the same time Barnsdall has treated and sold practically all of the wet gas produced as a by-product of its own oil wells on the uplands.

"The importance of this loss to the State may be shown by the figures for the year 1937 alone. In that year Barnsdall sold to Southern Counties Gas Company 1,222,103,000 cubic feet of gas of which 871,667,000 cubic feet came from the Barnsdall Luton-Bell lease and only 179,868,000 from all the State leases combined.

In the same year, Barnsdall Luton-Bell lease blew to air 51,678,000 cubic feet while the State leases were forced to blow to air 204,076,000 cubic feet. Whenever the State would complain to its lessees at Elwood of the drainage and waste, it would be met with the plea that the State lessees could not produce their big gas wells because of lack of market for their gas.

#### "5. Goleta:

At Goleta there is a gas field on a geologic structure part of which certainly extends beneath State overflow and swamplands and part of which may extend beneath the ocean. There are at present six completed gas wells on the uplands of this field, two owned by Standard Oil Company, three by General Petroleum Corporation and one by Shell Oil Company. The latter is shut in but the five others are producing and selling their gas to Southern Counties Gas Company (Industrial Fuel Supply). Industrial Fuel Supply has recently built an experimental gas plant in this field to conduct tests looking toward the utilization of the Goleta geological structure as an underground storage reservoir for its excess gas. It is reliably stated that Industrial Fuel Supply is negotiating with Standard and General Petroleum and Shell for control of the gas field. For the six and one-third years from January 1933 to May 1939 the field has produced (under curtailment) 11,723,399,000 cubic feet of gas from five wells, much of which has unquestionably been drained from beneath State lands. This drainage is legal, however, since the State has taken no steps to protect its interests at Goleta.



"It will be seen that the Industrial Fuel Supply, through Southern Counties Gas Company, controls the gas situation at both Elwood and Goleta. This Company desires to control the Goleta gas field structure and use it for a storage reservoir for gas. It could not do this if the State had one or more State lessees on its tide and submerged lands at Goleta. There is ample geological evidence of drainage so that the State is legally justified in immediately calling for bids on State lands at Goleta. Thus the State seems to be in a very favorable situation at Goleta for negotiations with the operators there not only to secure the State's share of the Goleta gas, but to reach an agreement with Industrial Fuel Supply to also remedy the gas drainage situation at Elwood by agreeing to purchase from Barnsdall sufficient additional gas to enable the State's lessees at Elwood to produce their deep zone gas wells and stop the wasting of gas now blown to the air.

It is recommended that the problem be approached according to the program herein suggested."

On motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted authorizing and directing the Executive Officer and staff to take steps necessary in the judgment of the Executive Officer to fully offset any drainage now occurring at either Elwood or Goleta and to report progress at the next meeting of the Commission.

The application of the Huntington Beach Townsite Association for redefinition of the State's method of allowance of time off in operations of wells was ordered taken from the calendar at the suggestion of the Executive Officer who stated that Eugene Overton, Esq., is no longer President of the Huntington Beach Townsite Association. Should this association be further interested it could make proper application to the Commission.

The Executive Officer advised the Commission that the lessee of State Oil and Gas Lease No. 17 had presented plans for the construction of new pier which plans have received the approval of the engineering staff of the Commission and the Executive Officer.

The Mojave Petroleum Company, a corporation, operator of Agreement for Easement No. 308, Huntington Beach, according to the Executive Officer has failed to produce the well in accordance with the terms of the agreement, to wit, has not properly effected a water shut off and has not properly produced the well.

On motion of Mr. Riley, seconded by Mr. Patterson, a resolution was unanimously adopted, authorizing and directing the Executive Officer to give notice of default to this grantee in accordance with the terms of the agreement, and upon failure to correct the defaults complained of within the time stated in the agreement to cancel the easement.

C. M. Wagner, who claimed to have held an interest in State Oil and Gas Lease No. 170, appeared before the Commission to protest the cancellation of the lease. The Executive Officer advised the Commission there is no legal authority for the Commission to

reinstate this lease inasmuch as no error appears. After hearing Mr. Wagner, the Commission advised him that it could not reinstate the lease since Mr. Wagner had presented no evidence of error in the cancellation.

F. J. Hortig, Petroleum Production Inspector, reported to the Commission that lessee of State Oil and Gas Lease No. 16 at Summerland had failed to operate producing wells continuously and had failed to exercise reasonable diligence in the drilling and operating of wells, and recommended notice of cancellation be given in accordance with the terms of the lease.

On motion of Mr. Patterson, seconded by Mr. Riley, and unanimously carried, a resolution was adopted authorizing and directing the Executive Officer to give notice of cancellation to this lessee, such cancellation to be effective on failure of the lessee to correct the defaults complained of within the time provided for in the lease.

The Executive Officer advised the Commission of the receipt of a letter from T. H. De Lap, Esq., Attorney at Law, requesting the issuance of a lease to Crockett Striped Bass Club, Inc., near Carquinez Bridge. Since Mr. De Lap desires to appear before the Commission at the next meeting held in Northern California, the matter was continued.

Upon the representation of the Executive Officer that John R. Richards, Chairman of the Commission had approved form of easement or agreement which the Commission would execute with the Calaveras Cement Company for crossings over certain navigable streams in the vicinity of Rio Vista, California, for the laying and maintaining of a gas pipe line, upon motion of Mr. Patterson, seconded by Mr. Riley, and unanimously carried, resolution was adopted whereby said form of agreement was approved and confirmed.

The Executive Officer reported an application of Parr Terminal Company for a lease of submerged lands in the vicinity of Port Costa, California, and suggested that report be made to the Commission at a subsequent meeting.

T. L. Atherton, Engineer for the Commission, advised of the condition of certain groins heretofore constructed at Sandyland in accordance with approval of plans of the Commission, and advised that the marine storms occurring late last year and early this year had destroyed or badly damaged all of the groins, and recommended that, due to the lack of information in this particular field of endeavor, the Commission take no action at this time to require the applicants to remove them or put them into condition.

Upon motion of Mr. Riley, seconded by Mr. Patterson, resolution was adopted directing that no action be taken at this time to require Elizabeth Watters, et al., to remove or reconstruct groins heretofore constructed by them under approval of plans No. 48.

The Executive Officer advised the Commission that demand had been made upon surety for the payment of the sum of \$240.00, representing delinquent rental under State Mineral Lease No. 226.

L. G. Campbell, Esq., Deputy Attorney General, appeared before the Commission to discuss litigation instituted as follows:

1. State vs. Bestmi Petroleum Corporation, et al. The Deputy reported the collection of \$4,000 from the Texas Oil Company, a corporation, which he recommended be accepted by the Commission in payment of the State's royalty upon oil and gas purchased by the Texas Company from Bestmi Petroleum Corporation. He further reported receipt of check of M. Levine for \$369.42 and recommended acceptance of this provided that audit should disclose amount to be proper. He added that the State would go forward with the action against the remaining defendants.

2. Ocean Front Oil Company. Mr. Campbell advised the Commission of the institution of suit against Ocean Front Oil Company, the executor of the estate of C. D. Cather, deceased, and others for the recovery of the sum of \$111,000.00.

3. Mr. Campbell further advised the Commission of the institution of an action to establish line of ordinary high water mark in connection with tidelands and property on the upland of Estate of Will Rogers, deceased.

4. Mr. Campbell reviewed the high lights of the investigation conducted in the vicinity of Venice to determine whether wells now drilled are trespassing upon lands of the State of California and removing oil therefrom. He advised the Commission that evidence had been procured pointing in the direction of trespass, however, he pointed out a statute purporting to grant these tidelands to the City of Venice would probably require construction by the court since no specific description appears in the granting statute. The Commission requested time to study the Venice problem and recommended to Mr. Campbell that further consideration would be given at a subsequent meeting of the Commission.

Everett W. Mattoon, Assistant Attorney General, and Joseph A. Lonergan, property owner at Manhattan Beach, appeared before the Commission to tell of action of a landowner at Manhattan Beach to prevent access to the Ocean and to request the Commission to locate the line of ordinary high water mark at Manhattan Beach preliminary to consideration of the institution of an action should the facts justify such action.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted authorizing and directing the assignment of T. L. Atherton, Engineer of the Division, to study the line of ordinary high water mark at Manhattan Beach, California, with authority to expend up to \$500 for employees in field work and other expenses necessary for the conducting of the survey and the Executive Officer was directed to employ necessary help for the study.

Upon statement of F. J. Horig, Petroleum Production Inspector, that the lessee of State Oil and Gas Lease No. 191 is not now producing oil from the property and is not now conducting drilling operations in accordance with the provisions of said lease, upon motion of

Mr. Riley, seconded by Mr. Patterson, and unanimously carried, resolution was adopted authorizing and directing the Executive Officer to give notice of intention to cancel the lease unless the defaults hereinbefore mentioned are corrected or bona fide steps taken to correct the same within the time set forth in said lease.

Ernest Aronstein, Accountant in the Department of Finance, assigned to study the organization of the State Lands Commission, made recommendations as follows:

1. That request be made to the Shell Oil Company to install a water meter on the Freeman lease at Round Mountain;
2. That figures compiled by the State's gaugers be used as the basis for the calculation of oil royalties;
3. That easements over the tidelands now in effect to Bankline Oil Company and the Rio Grande Oil Company be cancelled in the event of failure on their part to make available to him data regarding the cost of transporting oil through pipe lines owned by them;
4. That office be rented for the Commission at Santa Barbara;
5. That technical consultant be employed to assist in determining more difficult technical problems presented to accountants.
6. That the Commission be billed for current and past accounting work which should have been done by the Commission itself.

The Commission after discussion approved the changes recommended by Mr. Aronstein, and, upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, a resolution was adopted, authorizing and directing the Executive Officer to employ E. K. Parks as consultant to Mr. Aronstein in such matters for a total period not to exceed three days.

T. L. Atherton, Engineer of the Commission, advised that the War Department had made a request to the State Lands Commission for permission to deposit spoils upon certain lands of the State under the jurisdiction of the State Lands Commission in San Diego County, and that the War Department had orally proposed a change in plans. Mr. Atherton was directed to obtain modified program of the War Department and to present the same to the Executive Officer for disposition.

Mr. Atherton advised the Commission that application of R. F. Wilson for the construction of a fishing pier at Ramera Canyon, Santa Monica Bay, met with technical approval.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and unanimously carried, resolution was adopted authorizing and directing the Executive Officer to request the Director of Finance to execute an easement to the applicant covering the property described in the application for a period of twelve years and at a total consideration of \$2160.00 payable in annual installments in advance of \$180.00.



The Executive Officer advised the Commission of receipt of opinion of the Attorney General that the Commission may expend moneys from the State Lands Act Fund to be used in collaboration with the WPA of the Federal Government in installation of a public lands filing system in office of the Commission at Sacramento, California, and to consent to undertaking of the supervision of the installation of such system by the Department of Finance in accordance with law.

Upon motion of Mr. Riley, seconded by Mr. Patterson, and un-animously carried, a resolution was adopted authorizing and directing the Executive Officer to execute an agreement in collaboration with program of the WPA of the Federal Government for the purpose of installation of a public lands filing system at the Sacramento office of the State Lands Commission, and to request the Governor and the Director of Finance to give approval to the allocation of the sum of \$30,000.00 from the State Lands Act Fund for this purpose.

At the suggestion of the Commission the Executive Officer prepared and submitted to the members a collection of powers designed to expedite the business of the Commission. Upon the representation of the Executive Officer that Mr. Richards had stated at a prior meeting that he had read proposed powers and approved the same, Mr. Riley moved and Mr. Patterson seconded, and it was unanimously carried, that resolution be adopted as follows:

The State Lands Commission from a study of activities and operations of the Division of State Lands for a period in excess of two years has determined that much detail work in conformance with established routine policies of the State may be performed by the Executive Officer of the Commission through direct authorization of the Commission without the necessity of obtaining specific authority or of the necessity of subsequent confirmation.

Provision is made in Section 15 of the State Lands Act for the Commission to authorize any of its employees or officers to execute any instrument in the name of the State of California pursuant to resolution of the Commission.

NOW THEREFORE BE IT RESOLVED That Webb Shadle, Executive Officer of the State Lands Commission, be and he is hereby empowered, authorized and directed to perform the duties and assume the obligations without the necessity of specific authorization or of subsequent confirmation of any duties so performed, and with the limitations expressed, as follows:

1. Personnel

The Executive Officer shall have supervision over personnel in the Division of State Lands and the allocation of direct assignments and the allocation of duties of the personnel, shall attend to all routine personnel matters as required by the Constitution, laws of the State, rules and regulations of the State Personnel Board and such other laws and rules as are applicable including but not thereby delimiting signing of attendance reports, payrolls, authorizations for all temporary help, sick leaves, vacations, performance reports, expense accounts, and all other routine matters, but he shall

have no power to authorize the creation of a new permanent position or to file charges either for the suspension or the dismissal of an employee of the Division of State Lands.

2. OIL AND GAS MATTERS.

The Executive Officer shall have jurisdiction over all routine oil and gas matters concerning operations of all kinds at Huntington Beach, Rincon, Summerland, Goleta, Elwood, Hollister Ranch, McDonald Island, Rio Vista, Round Mountain lease in Kern County, and all areas now devoted to or available for State mineral prospecting permits or mineral leases, but he shall not have power to invite bids for new drilling, for redrilling operations, or for the writing off of delinquent accounts, or in any manner modifying, amending, or abrogating any lease or agreement. In case of mineral prospecting permits, the Executive Officer shall first obtain the approval of an officer in the Division of Mines with respect to the known mineral content of any parcel for which application may be made for a prospecting permit, and may thereupon issue a State mineral prospecting permit. In case of State mineral leases, if the report of the officer of the Division of Mines shows the area to contain mineral in commercial quantities, he shall then offer the area to the highest bidder in accordance with law and the rules and regulations of the Commission, but bids shall be opened by the Commission and any award of a lease or agreement shall likewise be authorized by the Commission.

3. GROINS, BULKHEADS, JETTIES, ETC.

The Executive Officer shall have power to approve "Approval of Plans" to construct, repair or reconstruct, any of the structures named in Section 690.10 of the Political Code, upon receipt of approval therefor of the Commission's Consulting Seacoast Engineer, in accordance with the law applicable thereto and rules and regulations of the Commission.

4. WHARVES, PIERS, ETC.

The Executive Officer shall have power to recommend to the Director of Finance the execution of a lease or easement for the purpose of construction, repairing or reconstructing wharves, piers and like structures not described in Section 690.10 of the Political Code, upon approval of an engineer of the State Lands Commission with respect to suitability of plans and specifications. The consideration to the State in any such easement or agreement shall be determined by an appraisement made by the Executive Officer or some person or body selected by him.

5. CHAPTER 69, STATUTES OF 1929, AS AMENDED.

The Executive Officer shall have the power to perform all preliminary work including obtaining of surveys and including appraisement of the State property involved, but he shall obtain from the State Lands Commission authority to request the Governor to execute any such proposed lease.

6. REQUEST TO GOVERNOR TO EXECUTE PATENTS, ISSUANCE OF CERTIFICATES OF PURCHASE AND INDEMNITY CERTIFICATES.

The Executive Officer shall sign all requests to the Governor for execution of patents in all cases wherein lands of the State have heretofore been sold but patent not issued, and shall issue indemnity

certificates for lieu lands and certificates of purchase, but he shall have no power to sell or authorize the sale of other lands of the State including Sections 16 and 36 without the express authorization of the State Lands Commission.

7. PURCHASES, SERVICE CONTRACTS AND SERVICES.

The Executive Officer shall make all necessary purchases, execute all necessary service contracts and contracts for services within the limits of the budget as approved by the Department of Finance, but he shall not make any purchase or authorize any service in connection with a policy different from that now in effect without the specific authorization of the State Lands Commission.

8. GRAZING LEASES.

The Executive Officer shall have power to execute grazing leases in accordance with the law and the rules and regulations of the Commission and shall have power to request the Director of Finance to execute leases of State lands for other purposes pursuant to the law and the rules and regulations of the State Lands Commission.

9. OWENS LAKE AND OTHER MINERAL LAKES.

The Executive Officer shall have the power to issue leases for the extraction of minerals from lakes of the State in accordance with the law.

10. LITIGATION.

The Executive Officer, acting in the capacity as Attorney of the Division of State Lands, shall attend to all litigation of the State Lands Commission in collaboration with the Attorney General and shall whenever he deems it advisable, request the Attorney General to give consideration to institution of actions to protect the interests of the State under the jurisdiction of the State Lands Commission.

11. BUDGETS.

The Executive Officer in collaboration with the accounting office and the Division of Budgets and Accounts of the Department of Finance shall prepare all budgets of the State Lands Commission, but such budgets shall not be effective without the approval of the State Lands Commission.

12. CERTIFIED COPIES OF DOCUMENTS, SUPERVISION OVER ALL MOTOR AND OTHER EQUIPMENT AND GENERAL REPRESENTATION OF THE STATE LANDS COMMISSION.

The Executive Officer shall issue all certified copies of documents in the Division of State Lands, shall generally represent the Commission in all matters under its jurisdiction, subject, however, to the limitations hereinbefore expressed, and shall have supervision over all motor and all other equipment.

The Executive Officer reported to the Commission of many duplications now in existence because of the present form of accounting. After discussion it was decided by the members of the Commission that no action should be taken until consideration could be given by all members at a subsequent meeting.



Upon motion of Mr. Patterson, seconded by Mr. Riley, by resolutions adopted by unanimous vote, the Executive Officer was authorized and directed to perform the acts, and his acts were approved and confirmed as follows:

1. Transfer of the sum of \$70,000.00 from the State Lands Act Fund to the General Fund and State Park Maintenance and Acquisition Fund in percents of 70 and 30, respectively.
2. Execution of certificates Nos. 18861, 18862 and 18863, to R. M. Saeltzer covering 320 acres of school land in Shasta County, Robert H. Arbuthnot covering 640 acres of school land in Kern County, and Adolph M. Domengine covering 40 acres of lieu lands in Fresno County, respectively, to the Governor requesting that said patents be executed.
3. Execution of certificate of purchase to Adolph M. Domengine covering 40 acres of lieu land in Fresno County.
4. Issuance of Grazing Lease Applications Nos. 751 and 752 of Rees T. Jenkins Land & Livestock Company and M. E. Laird, respectively;
5. Execution of Certificate to Adolph M. Domengine for refund of \$463.56 paid for lands, the selection of which was denied by the Federal Government;
6. Execution of map of Division of Highways in accordance with Section 101.5 of the Streets and Highways Code to permit Division of Highways to remove material from any lands described on map and owned by the State of California as tidelands or submerged lands.
7. Execution of lease with Gene Celli of certain lands of the State on Sherman Island in Sacramento County, more particularly described in lease now ended between the State and G. Baldocchi, for a term of three years, at a total rental of \$2,422.50, payable in semi-annual installments of \$403.75 in advance.
8. The assignment of T. L. Atherton, Engineer of the Division, as engineer consultant to the State Park Commission in connection with suit at Mission Bay upon execution of agreement in accordance with law whereby the State Lands Act Fund would be reimbursed for salary and expenses of Mr. Atherton.
9. Request the Director of Finance to consent under Section 675 of the Political Code to the removal of highway material from certain premises of the State in San Diego County.

There being no further business to come before the Commission, the meeting was adjourned.